

The Official Publication of the Division of Real Estate

**FALL 2012** 

# Real Estate news

### **Brokers Take Note:**

### Changes to Rule B-2 Will Impact Many Licensees

The Colorado Real Estate Commission adopted the proposed changes to Rule B-2, Methods of Completing Continuing Education, at the October 2, 2012 meeting. The regulation identifies the options available to satisfy the continuing education licensing requirements. Pursuant to the rule, all brokers must be in compliance with the continuing education requirements before applying to renew an active license, to activate an inactive license or to reinstate an expired license to active status.

### What has changed?

The revised rule has removed the two 24-hour Commission approved courses as a method of satisfying the continuing education requirements and has added a new course.

- The revised rule retires the "Broker Transition" course. The course was originally approved by the Commission in July of 1996 as a prerequisite course for licensees upgrading an active salesperson license to the associate broker level. This course was created to accommodate the new single license legislation that went into effect on January 1, 1997. The course is no longer applicable and according to Division records, only 3% of the licensees utilized this option to satisfy their CE requirements.
- Also, the revised rule removes the Commission approved 24-hour "Broker Administration" course as a method of satisfying the CE requirements. The course is still offered and required to upgrade a license from

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### Director's Corner

By Marcia Waters, Division Director

We have been undergoing some changes lately, which are going to have some degree of impact on our licensed professionals. Please be aware of the following changes:

**New website:** Within the past month, you may have noticed that the Division's website changed,

as did the URL. This was part of a larger website migration project undertaken by the Department of Regulatory Agencies (DORA) to ensure ease of use and timely access to pertinent information. The links displayed on the Division's home page direct users to the most frequently viewed information pages.





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There are still a few bugs to work out and we are working diligently to fix any broken links that may still exist.

#### New email platform:

On October 8, 2012, DORA began its transition from Outlook based email to Gmail. Our email addresses are changing as well. New staff email addresses will typically consist of firstname. lastname@state.co.us. This transition is proving to be more difficult than the website migration. There are several division email boxes that are currently not functioning and some employees do not have access to their Gmail accounts. Additionally, there were some employees that had individual fax numbers that went directly to their email accounts. We no longer have that functionality. If you need to fax something to the Division, the fax number is (303) 894-2683. Please indicate for whom the documents are intended to ensure prompt receipt.

If you are the subject of a continuing education audit, are seeking to file an open records request, or are trying to provide comments on a Commission-approved form, none of these email boxes are currently functioning. We will continue to work with the Office of Information Technology to get these issues resolved, but in the meantime, please contact the Division at (303) 894-2166 if you are being audited for continuing education compliance.

If you are an appraiser and are undergoing the USPAP audit in order to renew your license, please email your course certificates to me at marcia.waters@state.co.us and include "USPAP Audit" in the subject line.

If you wish to file an open records request, you can email your request to anne.ross@state.co.us.

Questions or concerns regarding the Commission-approved forms

can be emailed to me at marcia. waters@state.co.us. Please include "CREC Forms" in the subject line of the email.

### Commission-approved Contracts and Forms:

The Commission has adopted changes to 18 contracts and forms. The red-lined versions of the forms are posted to the Division's website. The contracts and forms that are changing are:

- 1) The Contracts to Buy and Sell
- 2) Counterproposal
- 3) Agreement to Amend/Extend
- 4) Closing Instructions
- 5) Earnest Money Receipt
- 6) Exclusive Right-to-Sell Contract
- 7) Exclusive Brokerage Addendum
- 8) Licensee Buyout Addendum
- 9) Inspection Objection
- 10) Inspection Resolution
- 11) Notice to Terminate
- 12) Lead-Based Paint Disclosures (Sales and Rental)
- 13) Residential Addendum

The Commission also adopted a new form, the Green Disclosure (Energy), which should provide some consistency with the green fields utilized by the MLS databases.

### Fee Setting:

The Division carefully monitors revenues to ensure that there is not a budget deficit or surplus. License fees, along with fines assessed from disciplinary actions, provide revenue to the Division to cover its operating, personnel and legal expenditures. The Division is a cash funded agency, as opposed to a general funded agency that relies on taxpayer monies to function. License fees can vary based on the population of real estate professionals regulated. For example, if there is a significant reduction in the number of licensed real estate brokers, the real estate broker license fees may need to increase in order to compensate for the loss of some of the regulated professionals. Conversely, if there is a significant increase in the real estate broker population, it may cause a reduction in the cost of a real

estate broker license.

We are currently working on setting the license fees for mortgage loan originators. Once those fees are finalized we will work on setting license fees for real estate brokers and appraisers. We try to have all fees set by November 15th to ensure that there are no issues with license renewals. Unlike previous years, we will not be sending out an email blast to announce the fee changes. However, we will post the fees to the Division website once they are finalized.

Along with the changes above, we will begin working on the administrative rules necessary in implement the regulation of appraisal management companies. We will also be addressing the requirements for supervising and trainee appraisers. The Board of Mortgage Loan Originators is undergoing a review of their rules. Mortgage loan originators will be see the rules change as a result of feedback that we have gotten from the industry.

If you are interested in participating in one of these projects, please contact me at marcia.waters@ state.co.us. Finally, we anticipate transitioning to a new licensing database in July 2013. From the discussions we have had with developer, the database is highly customizable. We are going to look at giving licensees the ability to upload their own continuing education certificates to their license record, along with allowing licensees to print off a copy of their license. We believe this particular feature will be extremely helpful for the appraisers at the time of renewal. We welcome any suggestions that you may have for system enhancements.





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Executive Director
Department of Regulatory Agencies

Marcia Waters

Director, Division of Real Estate

Hollis Glenn
Deputy Director, Division of Real Estate

COLORADO REAL ESTATE COMMISSION

COLORAD BOARD OF MORTGAGE LOAN ORIGINATORS

COLORADO BOARD OF REAL ESTATE

APPRAISERS

COLORADO CONSERVATION EASEMENT OVERSIGHT COMMISSION

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#### POLICY

Neither all nor any portion of the articles published herein shall be reproduced in any other publication unless without the expressed written consent of the author or the Division of Real Estate. Long-time industry member and mortgage loan originator Bruce Jordan was appointed by Gov. John W. Hickenlooper to serve on the Board of Mortgage Loan Originators starting in September. Jordan replaces former board member Cheryl Dingwell-Keckritz, whose term expired in August 2012. Jordan, a mortgage loan originator with Cherry Creek Mortgage, was appointed to a four-year term, expiring in August 2016.

In addition to his mortgage loan originator's license, Jordan holds a real estate broker's license in Colorado and is an active member of the New York State Bar. He graduated from Albany Law School of Union University and had been practicing law up until 2000. He began his career as a loan originator in August 2000 with Aspen Funding Corporation and worked there before moving to Cherry Creek Mortgage in March 2009.

Jordan is director of Jordan Real Estate College, Ltd. and has served on the Division of Real Estate's Colorado Mortgage Loan Originator Education Task Force and Colorado Mortage Loan Originator Rule Making Task Force. He has taught the 20-hour NMLS S.A.F.E. ACT curriculum and currently teaches the Mandatory Two-Hour Colorado Update Course for Mortgage Loan Originators.

The Division welcomes him to the Board and looks forward to working with him and the other Board members in the coming months.





# INDUSTRY EXPERTS

This section is reserved for articles written and submitted by members of the real estate industry with varied experience in different fields. The views and opinions expressed are those of the author and do not represent the views or opinions of the staff of the Division of Real Estate or DORA.

### EPA Water Recovery - How You Can Avoid Co\$tly Fine\$

Many real estate brokers don't realize how the Clean Water Act affects them. And they may inadvertently cause themselves and their property owners a large fine. Many brokers act as property managers – whether they work with apartments, commercial buildings, assist HOA's or oversee single-family residences. Even if a broker only has a listing for an out of town seller, they're responsible for taking care of that property. If you – or someone you hire – washes sidewalks, driveways, a grease spill or anything else and the waste water runs into the storm drain, you can get a fine from the EPA or a city or county inspector.

### There have been a few hefty fines

One pressure washing company that was cleaning sidewalks in downtown Denver received two large fines the same day for improper collection and disposal of wastewater.

And in Houston, where water recovery is strictly enforced, a parking garage was pressure washed in violation of the stormwater regulations – and the building engineer, property manager, and wash company owner all went to jail.

### The phasing in of the Clean Water Act

This began in 1972 when Congress passed the Federal Water Pollution Control Act, also called The Clean Water Act, and started enforcing stormwater regulations. And while some EPA regulations may seem extreme, they've done a good job of cleaning the waterways. Imagine if we had continued dumping waste for 40 more years at the rate we did in 1972! The EPA started by cleaning up manufacturing plants that dumped garbage straight into rivers, and barges that dumped city trash into the ocean. Then came cities with populations of more than 100,000 – which in Colorado meant Aurora, Denver, Lakewood, and Colorado Springs. Now we're in the final phase where even the smallest towns must comply.

In 2010, the EPA published the Clean Water Act Action Plan containing new stormwater regulations. These changes affect owners and property managers – as well as service providers. One part of the new plan is to "strengthen oversight of the states." And if the state doesn't enforce these stormwater regulations, the EPA will take over – which benefits no one.

#### Did you know there are two different sewer systems in almost every city?

The Storm Sewer collects the runoff from the streets and gutters and goes directly into the rivers without being treated or filtered. The Sanitary Sewer collects everything that runs from residences and commercial buildings and pipes it to the wastewater treatment plants. The Clean Water Act requires all wastewater treatment facilities to treat sanitary sewer water to specific levels. It also requires municipalities to maintain standards for storm sewer water discharged into state waters. You may have noticed the little green and orange bags lying

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Massive regulatory change has started but you can handle it.

igcap ince its passage in 2010, it seems like all we've been hearing about is the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act), and how it will result in a considerable number of new regulations impacting mortgage lenders and originators. Well, we are finally starting to see a flurry of proposed rules being issued as a result of the Dodd-Frank Act, and while you will certainly feel the pressure, with preparation and planning you can survive the regulatory tsunami.

### What's happened so far?

This summer, the Consumer Financial Protection Bureau (CFPB) began issuing a number of Proposed Rules that will directly impact those in the mortgage world. From originators, to lenders and servicers, no one will be able to avoid the impact of these new rules. Understanding and commenting to help shape these rules will be critical in your plan to deal with this change.

### **TILA/RESPA Reform**

One of the largest projects on the CFPB's to-do list is the implementation of Sections 1032(f), 1098 and 1100A of the Dodd-Frank Act. These sections involve the combination of disclosures required by the Truth-In Lending Act ("TILA") and Real Estate Settlement Procedures Act ("RESPA"). This includes the all-important Good Faith Estimate ("GFE") and Truth-In Lending ("TIL") disclosures.

On July 9, 2012, the CFPB issued a 1,100 page Integrated Mortgage Disclosures proposed rule tackling the RESPA/TILA combination. The proposed rule creates a new Loan Estimate disclosure that combines elements of the preliminary TIL disclosure and the GFE, as well as a new Closing Disclosure that combines the elements of the corrected or final TIL disclosure and the HUD-1/HUD-1A Settlement Statement.

The comment period for most parts of the proposal runs to November 6, 2012, with comments relating to delay of certain disclosures required by Title XIV of the Dodd-Frank Act and APR calculation changes due by November 6, 2012.

#### **HOEPA/High-Cost Mortgage Loans**

Also on July 9, 2012, the CFPB issued a proposed rule implementing the High-Cost Mortgage and Homeownership Counselina Amendments to TII A and RESPA. This proposed rule would expand the coverage of high-cost mortgage loans by redefining a "high-cost mortgage" to mean all disclosable loans, other than reverse mortgages, secured by a principal dwelling and that meet the Home Ownership and Equity Protection Act (HOEPA) rate test thresholds. The proposed rule would also revise the rate test thresholds for determining when a mortgage qualifies as a high-cost mortgage (including utilizing a new prepayment penalty trigger), and would expand the restrictions

on loan terms for high-cost mortgages. It would also implement new homeownership counseling requirements found in the Dodd-Frank Act.

### **Loan Originator Compensation**

The CFPB has also issued a proposed rule that would expand the existing Loan Originator compensation rules in order to create a new duty of care, and to require loan originators to make a no-point, no-fee option available to consumers. The proposed rule would require an interest rate reduction when consumers choose to pay upfront points or fees, and would establish new borrower aualification standards. It would also prohibit the payment of steering incentives to mortgage loan originators, and would implement restrictions on arbitration clauses and the financing of certain types of credit insurance. Comments for this proposed rule must be submitted by October 16, 2012.

#### Ability To Repay

In April of 2011, the Federal Reserve Board ("FRB") issued a proposed rule that would require creditors to determine a consumer's ability to repay a mortgage before making a loan to them. It would establish extensive underwriting standards necessary in order to originate a "qualified mortgage", which would provide either a rebuttable presumption or safe harbor that the originator/lender had met the ability to repay standard. The CFPB has inherited this proposed



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rule and re-opened the comment period for the previously proposed rules in May of 2012. That second comment period closed in July 2012, and as a result, the CFPB may re-issue a proposed rule or proceed to a final rule at any time.

### **Escrow Requirements**

In addition to the final rule issued on March 2, 2011 by the FRB on escrow accounts for first-lien jumbo loans, the FRB simultaneously issued a proposed rule which the CFPB has since inherited. This proposed rule would implement changes required by sections 1461 and 1462 of the Dodd-Frank Act pertaining to escrow accounts. The final rule is expected to be issued by the CFPB and will likely require new escrow account disclosures and expand the scope of coverage for requiring escrow accounts on some loans.

### **Appraisal Requirements**

On August 15, 2012, the CFPB along with various other federal regulators issued two proposed rules relating to appraisals that will be of interest to lenders and originators. One of the two proposed rules would require, among other things, that creditors provide applicants with free copies of all written appraisals and valuations developed in connection with the application for a loan secured by a first lien on a dwelling. It would also require the use of a new Disclosure of Right to Receive a Copy of Appraisals and Valuations



unique appraisal requirements for loans identified as "higher-risk" mortgage loans.

### **Mortgage Loan Servicing**

The CFPB has issued two proposed rules designed to address mortgage servicing, one of which would amend TILA and one that would amend RESPA. The proposals create a newly required initial interest rate adjustment notice for adjustable rate mortgages and would modify existing rate adjustment notices. They also propose requirements for new periodic statements for residential mortgage loans, and modify the requirements pertaining to prompt crediting of mortgage payments and response to payoff requests. The proposals would impose requirements for handling customer accounts, correcting errors, and evaluating borrowers for options to avoid foreclosure. Finally, the proposed rules address maintenance of accuracy and accessibility documents and information regarding borrowers, and create new requirements for customer access to servicer personnel. Comments are due on both proposed rules by October 9, 2012.

### When can we expect to see final rules?

Many of the different proposed rules discussed above intersect with one another, and so must be considered together. The CFPB recognizes the interplay between these various rules and understands that the decisions made in one rulemaking may have implications on others. For that reason, for many of the proposed rules, the CFPB is requesting comments as to the effective date of final rules.

#### **TILA/RESPA Reform**

There is no statutorily imposed deadline for the

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CFPB to issue its final rule for the integrated disclosures, however, based on a CFPB's proposal to delay compliance with certain related Dodd-Frank Act Title XIV requirements that are included in the integrated disclosure, it is likely that final rule will be issued sometime in 2013 and will likely be effective 12-18 months after issuance. This could mean an effective date of mid-2014 to early 2015 (assuming final rules are issued mid-2013).

### **HOEPA/High-Cost Mortgage Loans**

While final rules are likely to be issued by January 2013, the CFPB has taken the position that it may extend the effective date for its high-cost mortgage and homeownership counseling rules beyond one year from the date that final rules are issued.

#### **Loan Originator Compensation**

The CFPB is expected to issue final rule no later than January 21, 2013, and that final rule is anticipated to be effective no later than January 2014 based on the mandatory statutory effective date under the Dodd-Frank Act.

### **Ability To Repay**

The CFPB has inherited the power to issue a final rule (or to re-issue proposed rules) regarding the ability to repay requirement. Since the comment period for the proposed rule has long since closed, the CFPB could issue a final rule at any time. Note that the risk retention or "skin-in-the-game" rule expected to be issued by the SEC depends heavily on the outcome of this rulemaking for its definition of qualified residential mortgage (QRM).

### **Escrow Requirements**

While the CFPB could issue final rules regarding this item at any time, it is expected to issue final rule no later than January 21, 2013, with final rules anticipated to be



effective no later than January 2014 based on the mandatory statutory effective date under the Dodd-Frank Act.

#### **Appraisal Requirements**

Comments for both proposed appraisal rules were due by October 15, 2012. Based upon the number of elements within these proposed rules that relate to other ongoing modifications to RESPA and TILA, we can likely expect to see final rules issued prior to the TILA/RESPA Reform final rule. In fact, a final rule is expected prior to January 21, 2013, with an effective date no later than January 2014 based on the mandatory statutory effective date under the Dodd-Frank Act.

#### **Mortgage Loan Servicing**

Again, based upon the deadline requirements included within the Dodd-Frank Act relative to most provisions of the proposed rule, the final rule regarding mortgage loan servicing is expected no later than January 21, 2013, with an effective

date no later than January 2014.

### How will I cope with all this change?

The amount of regulatory change that has begun is big, there's no doubt about it. But understanding and dealing with the massive amount of change is possible. What can you do to help yourself be more prepared? First, start learning as much as you can about the various proposed rules as they stand today. This means listening to webinars, talking to your compliance staff and reading articles like this one (well done!) to better inform yourself about the changes. Once you have a good understanding of the proposed rules, provide your comments about any changes you'd like to see to the appropriate regulatory agency or industry trade group. This is the only way your voice will be heard so that you can help shape the final rules. Finally, once you've learned about and commented on the proposed rules, start to prepare

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for what you are going to do when final rules are issued. This may involve organizing a team within your office that will be dedicated to addressing these changes once they occur. Determine which outside sources you are going to rely on to gather information about the final rules once they are issued. And finally, breathe... Though this is a large amount of change at one time, take comfort in knowing that you've prepared and participated in the rulemaking process, and have done all you can.

Geoffrey Schroder is compliance counsel with Harland Financial Solutions. Harland Financial Solutions serves as a strategic technology partner and business facilitator to more than 6,000 financial institutions of all sizes, supplying comprehensive software solutions and services in core systems, business intelligence, branch automation, payments, enterprise content management, lending and compliance loan servicing, risk management, financial accounting, mortgage and self-service solutions. For more information about Harland Financial Solutions, please visit www.harlandfinancialsolutions.com. For more information about this article, please contact Geoffrey Schroder at geoff. schroder@harlandfs.com.

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treated or filtered. The Sanitary Sewer collects everything that runs from residences and commercial buildings and pipes it to the wastewater treatment plants. The Clean Water Act requires all wastewater treatment facilities to treat sanitary sewer water to specific levels. It also requires municipalities to maintain standards for storm sewer water discharged into state waters. You may have noticed the little green and orange bags lying next to storm drains and wondered what they are. Every construction site has them – or should. These filter bags are designed to prevent dirt and debris from entering the storm drains. And they're used anywhere dirty runoff is possible.

### **Enforcement includes fines**

In order to enforce these standards, the EPA, state, and local authorities can levy fines against anyone who discharges 'process wastewater' into the storm sewer. These fines can range from \$1,000 to \$25,000 per day and can be charged to both the property owner and the contractor. According to the state of Colorado, all water generated by power washing (pressure washing) operations is classified as 'process wastewater'. The Colorado Department of Public Health and Environment finalized their new regulations with this in mind. These regulations give specific guidelines on how to comply with the new water recovery procedures. These procedures allow Colorado's wastewater districts to comply with the EPA's updated stormwater regulations.

#### Wastewater Districts must comply as well

Because it isn't only the state government that has to comply – each wastewater district has to meet EPA rules, too. And each district has its own discharge regulations and they're often more strict than the state regulations. And all pressure washing companies – as well as property managers and owners – must comply with the



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regulations for each wastewater district. There have been many instances of the increasing enforcement of Colorado stormwater regulations. We're seeing more inspectors in the field – both observing us and checking our clients' properties. We've gotten a few calls to clean up restaurants where they let their kitchen grease get into the storm drain. As with all new laws, it takes time to get the word out and start enforcing it. You should expect stronger enforcement in the future.

### Not all jobs require water recovery

Make sure the company you hire has a thorough understanding of the requirements in your area. Verify they have the correct permits and can do the water recovery properly before you hire them. It's your reputation and money – and your clients, too.

Joel Shorey has been a real estate broker in Colorado for 35 years. He has worked as an appraiser and a property manager, and is now the President of Wash On Wheels. In business since 1985, Wash On Wheels is a Denver pressure washing company that specializes in EPA water recovery. Their service area includes metro Denver as well as the Front Range of Colorado. Joel can be reached at 303-937-7181 or joel@washonwheels.net. All of the regulations mentioned in this article are available on the Stormwater Regulations page at www.

washonwheels.net. http://www.washonwheels.net/emergency-spills/stormwater-regulations/



## Position Statement and Rule Changes

Since June, each industry group has seen changes to at least one rule or position statement. Below are the rules and position statements affected. For the full text of each rule, please visit the Secretary of State's website. Postion Statements can be found on the Division's website.

### **Appraisers**

### Rule 7.42: AQB Certified USPAP Instructors:

• In accordance the Appraiser Qualification Board, this rule amends or repeals existing rules with respect to appraiser continuing education requirements.

### Mortgage Loan Originator

### Position Statement M.B. 1.4: MLO and Mortgage Company Exemptions:

• This position statement concerns all individuals or entities defined in the exemption section, section 12-61-904, C.R.S., of the Act.

### Position Statement M.B. 1.9: Mortgage Company Definition:

• This position statement concerns entities that do not, through employees or other individuals, take residential loan applications or offer or negotiate terms of residential mortgage loans to borrowers in the State of Colorado.

### Rule 1-1-8: S.A.F.E. Act Compliance:

• This rule, unless otherwise determined by the Consumer Finance Protection Bureau, brings Colorado's mortgage loan originator regulatory program into compliance with the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (the "S.A.F.E. Act").

### Rule 8-1-1: Mortgage Loan Originator Advertising:

• This rule is intended to notify mortgage loan originators and mortgage companies about all current regulations that address advertising and to ensure the advertising of nontraditional mortgage products is addressed.

### Real Estate Broker

### Position Statement CP-2: Earned Fees:

• Section 12-61-113(1)(j), C.R.S. of the license law forbids a broker from paying a commission or valuable consideration, for performing brokerage functions, to any person who is not licensed as a real estate broker. Brokerage functions include negotiating the purchase, sale or exchange of real estate. See section 12-61-101(2)(a), C.R.S. Pursuant to Colorado case law, "negotiating" means "the act of bringing two parties together for the purpose of consummating a real estate transaction." Brakhage vs. Georgetown Associates, Inc., 523 P. 2d 145, 147 (1974).

### Position Statement CP-20: Personal Assistants:

Personal assistants ("assistants") are generally thought of as employees or independent contractors ("employees") that perform various functions, including clerical duties, on behalf of a licensed real estate broker ("broker"). Assistants can be grouped into two separate categories: unlicensed assistants and licensed assistants. An unlicensed assistant cannot perform the same duties that a licensed assistant can perform.



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- the associate broker level to the employing broker level and can qualify for 24-hours of elective credits. Any licensee who relied upon the previous requirements of Rule B-2 and has proof of a completion certificate, dated on or before December 31, 2012, will be in compliance with their continuing education requirements.
- The 24-hour "Broker Reactivation" course was developed by the Commission's education task force to provide a refresher course on Commission approved contracts, Colorado real estate regulations and the most current material included in the Colorado Annual Commission Update course. The course is available for any licensee who wishes to active or reinstate their license after being inactive or expired for up to 36 months and have not maintained their continuing education requirements found in B-2(a). Additionally, this course is available to active licensees, every other license cycle, who wish to meet their continuing education requirements in lieu of rule B-2(a).

### **Continuing Education Summary**

Continuing education establishes a professional standard that the industry and its consumers will benefit from. To that end, the Division of Real Estate continues to conduct quarterly education audits. On average, 18% of brokers are non-compliant with the education requirements found in Rule B-2. The Division believes the updated rule adds clarity to the continuing education requirements and provides an additional avenue to learn about the changing regulatory environment.

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### Position Statement CP-34: Settlement Service Provider Selection, Closing Instructions and Earnest Money Deposits:

• The Commission issues this position statement to clarify how settlement service providers are selected, when closing instructions must be completed by a real estate broker ("broker") and how earnest money is to be handled.

### Rule B-2: Methods for Completing Continuing Education Requirements:

• This rule amended and repealed parts of the existing rules with respect to ways licesnees can meet the continuing education requirements needed to renew or reinstate an expired license or to activate an inactive license.

### Rule D-14: Errors and Omissions (E&O) Insurance:

• This rule amended and repealed parts of the existing rules with respect to requirements for license renewal, transfer, inactivation and errors and omission insurance for real estate brokers.

### Rule E: Separate Accounts – Records – Accountings – Investigations:

- E-1: This rule repealed the requirement that funds be placed in non-credit union escrow and/or trust accounts. Credit Union accounts are no longer prohibited.
- E-22: This rule amended and repealed parts of the existing rules with respect to trust accounts maintained by real estate brokers, record keeping requirements and practice requirements for real estate brokers.
- E-28: Repealed



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## Division Names New Deputy Director; HOA Information Officer

Investigations & Compliance Manager Hollis Glenn was appointed as the Division of Real Estate's Deputy Director. Glenn took over the position vacated by Cary Whitaker who left the Division in July to pursue a career in the private sector. Glenn is five-year veteran of the Division, starting out as an investigator with the mortgage loan originator program. He became the program manager of the Conservation Easement Section in 2008 and implemented statutes and new regulations to track conservation easement tax credits.

Working along side the Department of Revenue, Glenn and his staff reviewed conservation easement appraisals and issues tax credit certificates while making sure that new tax cap limits were not exceeded. In 2011, Glenn was promoted to Investigations & Compliance Manager, overseeing the investigations staff for the real estate broker, real estate appraiser and mortgage loan originator programs. He was an essential piece in implementing Governer Hickenlooper's Lean Initiative for the Division's investigations resulting in streamlined investigations, simplified summary reports and reduced paper usage.

In his free time away from the office, Glenn enjoys spending time with his family, exploring Colorado's many mountain peaks and pushing himself to the limits on wilderness excursions in Alaska. Congratulations, Hollis!

Gary Kujowski joins the Division of Real Estate as the new HOA Information Officer. He started on Oct. 15, 2012, and has hit the ground running! Kujowski brings more than 20 years of HOA experience to the Division and his knowledge of the real estate industry will be a great benefit to Colorado citizens.

Kujawski is a licensed Colorado attorney, who has practiced law since 1984, and has concentrated in the area of real estate law – transactional and title, HOA's, landlord-tenant and property management, and timeshares. He was also a general practitioner in many areas, including bankruptcy, small business matters, estates/probate, litigation and consumer concerns. He has experience in the corporate arena, and was in charge of title education and operations for a title company operation in Denver, heading up the foreclosure/investor and timeshare divisions, as well as being an educational corporate trainer, and working on industry legislative concerns.

He has taught over 20 different CREC approved real estate classes over the years throughout Colorado to numerous Realtor Boards, Realtors, title companies, lenders, and investors. Gary has also advised and served on many business organizations, including Chambers of Commerce, Special Business Service Districts, Boards and PAC's. He has experience with real estate industry legislation and testimony before Colorado State legislative committees, as well as industry compliance issues.

He has also been a regional and national speaker on HOA issues and concerns in the timeshare industry. Gary enjoys the wonderful Colorado mountains and takes advantage of travel whenever he can. Congratulations, Gary!



### Disciplinary Action Taken by the Real Estate Commission

Alphabetical by last name, real estate brokers only. List contains discipline from July 1, 2012 - September 30, 2012.

Acevedo, Silvia—Public Censure, Suspension, Probation Requiring Supervision, Fine and Coursework

Baca, Russ Clyde—Public Censure, Suspension, Fine and Coursework

Crangle, Valorie—Public Censure, Permanent Surrender and Stayed Fine

Janezich, Edward J.—Public Censure, Permanent Revocation and Fine

Jefcoat, Sherry—Revocation and Civil Penalty

Love, Wendy—Public Censure, Fine and Probation Requiring Supervision

**Martinez, James D.**—Public Censure, Permanently Cease Property Mgmt and Supervision of those who do Property Management, Restitution, Fine, Coursework and Practice Audits

Park, Jason H.—Revoked and Civil Penalty

**Peterson, Billy W.**—Public Censure, Probation requiring Supervision, Suspension, Stayed Fine, Coursework and Restitution

Reiss-Allison, Beth—Public Censure and Fine

Trott, Elizabeth Ann (Betty)—Public Censure, Stayed Suspension, Fine and Coursework

\*\*Note: This notice serves to inform the public of the current and/or most recent disciplinary action taken against the individual listed. It DOES NOT, nor should it be intended to, serve as a complete listing of any and all discipline taken against the licensee. For complete license information including license status and additional disciplinary actions, please visit www.askdora.colorado.gov and click "Division of Real Estate."

### Disciplinary Action Taken by the Board of Mortgage Loan Originators

Alphabetical by last name, MLOs only. List contains discipline from July 1, 2012 - September 30, 2012.

Hoskisson, Sandra— Cease and Desist

\*\*Note: This notice serves to inform the public of the current and/or most recent disciplinary action taken against the individual listed. It DOES NOT, nor should it be intended to, serve as a complete listing of any and all discipline taken against the licensee. For complete license information including license status and additional disciplinary actions, please visit www.askdora.colorado.gov and click "Division of Real Estate."

### **DON'T FORGET!**

2012 is coming to a close and that means time is running out for Mortgage Loan Originators and Real Estate Brokers to complete their respective mandatory update courses. Real Estate Brokers must complete the 2012 version of the Annual Commission Update course and MLOs need to take the 2012 Two Hour Madatory Colorado Update Course. A list of providers for each course can be found on the Division's website under the "continuing education" tab in the Education section.

